

SYSTEMS AND METHODS OF VIRAL MARKETINGField of The Invention

The field of the invention is electronic direct marketing.

Background of The Invention

5 Direct marketing can be viewed as involving six major steps: targeting an audience, creating a suitable message, delivering the message to a prospect, motivating the prospect to act upon the message, closing a transaction, and tracking the response. Over the years advances in computer and other technologies have altered the systems and methods by which each of these components are employed, and most recently the
10 widespread implementation of public electronic networks such as the Internet have opened the field of electronic direct marketing.

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15 With respect to tracking, it is presently known to track a potential customer's response to electronic direct marketing by monitoring a recipient's activities on a web site. Many web sites, for example, keep track of "hits" per page, time spent on each page or portion of a page, and recipient initiated transfers from one page to another. Of course, any site selling a product or service also generally keeps track of the customers, what they order, their demographics, and very often their hobbies, interests, and the like. One system that has taken web site tracking to a relatively sophisticated level is *yesmail.com*. The *yesmail.com* website employs its proprietary etrack™ system to monitor recipient defined,
20 web site based "tracking points".

25 Valuable tracking information can, however, be lost by requiring a potential customer to hyperlink to a website, and then tracking his behavior from the web site. One potential problem is that the recipient may never get onto the website. In addition, web site tracking gives the advertiser information about the recipient's behavior with respect to the website, not with respect to the advertisement *per se*. Web site tracking doesn't, for example, tell the advertiser how long the prospect waited to open the commercial, or how long he viewed the commercial before jumping to the website, or whether he forwarded the commercial to others. Still further, reliance on web site tracking can cause individual advertisers to miss valuable information from cross-branded advertising. For example, if

an advertisement has links to both McDonalds™ and Coca-Cola™, and the viewer transfers only to the McDonald's site, Coca-Cola™ may gain no information at all about the transfer.

It is known for an electronic commercial (ecommercial) to directly track prospect responses, but previously, such tracking has been used in only a limited manner. This makes sense because ecommercials are regarded as a means of getting a recipient to a web site, not as an end in themselves. It also makes sense because much of the sophisticated tracking done on web sites is inapplicable to ecommercials. For example, tracking how long a prospect rests on each page is meaningless when the ecommercial only has one page. Thus, one software package known as "24/7", for example, tracks simplistic information such as the number of impressions, click-throughs to web sites, and so forth, directly in the commercial, but still relies on the sophistication of the web site at the other end of a hyperlink to record the bulk of the tracking information. Another software package known as "*digitalimpcat.com*" is somewhat more sophisticated, using code within the ecommercial itself to track when the message was opened, and where it was forwarded.

In October, 1999 the present applicant filed PCT application no. PCT/US99/23824, entitled Methods And Systems For Tracking Electronic Commercials. That application disclosed sending to a recipient an electronic commercial containing both a video component and tracking software, storing the commercial locally to the recipient as an executable file, and using the tracking software to transmit tracking information to a distant server. While that subject matter constituted a considerable improvement over the prior art, there was still a need to provide more specific interaction between the sender of the commercials and the recipients of the commercials.

Summary of the Invention

The present invention provides methods and systems of viral marketing in which recipients of commercial messages are rewarded for forwarding the messages to others.

Preferred commercial messages comprise advertisements such as may be found in traditional print or broadcast media, and may be co-branded. The subject matter of the commercials can be virtually anything, from consumer products to political concepts.

Messages can be sent to the recipients in any suitable form. E-mail is especially preferred since it generally allows the recipient to conveniently forward the message to others without assistance. It is especially contemplated that messages may be forwarded intact, or modified or supplemented by the recipient.

5 Rewarding of the recipients for forwarding the commercial message can be accomplished in any suitable manner, as for example by providing redeemable points or e-money. Rewards may vary according to any number of factors, including the number of forwards executed by the recipient, and the number of subsequent generations of forwards spawned by the recipient. Reports summarizing the rewards and/or forwarding history
10 may be provided to advertisers, recipients, or others.

Various objects, features, aspects and advantages of the present invention will become more apparent from the following detailed description of preferred embodiments of the invention, along with the accompanying drawings in which like numerals represent like components.

Brief Description of The Drawings

Fig. 1 is a schematic of viral forwarding of electronic ecommercials according to the inventive subject matter.

Fig. 2 is a schematic of a method of providing rewards for viral forwarding of electronic ecommercials according to the inventive subject matter.

Detailed Description

In **Figure 1** an electronic mailing system 1 includes an advertiser 10 that provides an advertising messages database 22 and a marketing prospects database 24. These databases 22, 24 are utilized by a marketing agent 30 to send an electronic commercial 31 to a 1st generation recipient 40. The first generation recipient 40 forwards the commercial 31 to 2nd generation recipients 51, 52, who in turn forward the commercial 31 to third generation recipients 61 - 65, and so on through a final nth generation recipient 71.

The term "advertisers" is used herein in the broadest possible sense, including any entity trying to impact the thinking or behavior of others. In many instances the desired impact will include motivating the recipient to purchase goods or services. In other instances the desired impact may be to cause the recipient to vote in a given manner in an election, or a poll. In still other instances the desired impact may be of a very general nature, perhaps increasing societal awareness of alcoholism.

The term "commercial" is used herein in a very broad sense to mean any message intending to motivate a recipient to take an action favorable to an advertiser. Commercials may be simple textual banner ads, but more preferably include rich-media graphics such as animation, a photograph or other image, or an audio tract. Still more preferred commercials include video and branding graphics. Especially preferred commercials will be those that communicate a value proposition communicated in 30 seconds or less. Currently the most preferred commercials include an audio tract, a video tract, branding graphics, and hyperlinks, all delivered in a single executable file. These and other embodiments are as described in concurrently filed application serial nos. PCT/US99/23824 and 60/159,049, which are incorporated herein by reference. Still other preferred embodiments include "slide-show" commercials as described in concurrently filed application serial no. PCT/US99/ 23822, which is also incorporated herein by reference.

The advertising messages database 22 stores advertising content used in preparing ecommercials. The content typically includes text, charts, graphics, video, and audio components, but may also include any other components that can be sent via electronic mail. Preferred advertising messages database 22 contain both finished commercials and portions of commercials that can be combined together to produce finished commercials. It is especially contemplated that audio and video tracks are included in at least some of the components and finished commercials. The advertising messages database 22 may be quite large. Finished commercials may run about 30 seconds of play time, and with current compression technologies, may require about 0.5 to 1.0 megabyte of storage space per commercial. Depending on how many commercials are being handled, and how many variations are being stored, the advertising messages database 22 may easily require 50 - 100 giga bytes of storage space.

The marketing prospects database 24 is essentially an electronic address book, containing electronic mailing addresses for individuals, businesses, organizations, and so forth. Some or all of the prospects may have opted into the mailing list, or into another group that may or may not have any relationship to the advertising content. The prospects database 24 may be entirely proprietary to the owner of the system 1, or it may be obtained from an outside source. It is also contemplated that the prospects database 24 may comprise some or all of a co-sponsorship database as described in the concurrently filed application titled "Custodial Database for On-Line Marketing", corresponding to attorney docket 604.16, which is incorporated herein by reference.

An optional modification subsystem 26 modifies the commercial or commercials being sent out, possibly under the direct control of an operator (not shown). Operator control allows commercials to be constructed as needed to satisfy the needs of various advertisers. It is contemplated, for example, that an operator may create a commercial in only a few minutes by selecting from stock audio tracks, backgrounds, video clips, and animation or other graphics that may be included in the advertising messages database 22. Such components may or may not be advertiser-specific.

The marketing agent 30 may be an employee of the advertiser, but is preferably independent or quasi-independent of the advertiser. An exemplary marketing agent 30 is eCommercial.com™. The marketing agent 30 most likely uses a rules set to match up messages from the advertising messages database 22 with marketing characteristics (age, gender, etc) recorded for the prospects in the prospects database 24. Such characteristics advantageously include data obtained from responses to previous electronic commercials, and stored in a prospect database. In some embodiments the matching may merely comprise selecting pre-existing commercials, but in preferred embodiments the marketing agent 30 creates custom tailored commercials 31 for each at least some of the first generation recipients 40 based at least in part upon those recipients' marketing characteristics.

It is contemplated that multiple commercials (not shown) will be sent to individual 1st generation recipients. The multiple commercials can differ in only one component or in more than one component. Especially contemplated are multiple commercials that differ in several components, including at least three visual components and at least one

audio component. Also especially contemplated are multiple commercials that differ from one another by the content of their video or audio clips, such as by the language employed in an audio clip.

In another aspect of the inventive subject matter the automatic assembling of the multiple commercials occurs in relatively close temporal proximity to their transmission. In especially preferred embodiments at least 10% of the commercials are transmitted to at least some of the targeted recipients within 24 hours, and more preferably within 2 hours, and still more preferably within 30 minutes of their production. Viewed from another perspective, it is preferred that on average at least one commercial is assembled for every 500 of the targeted prospects, more preferably one commercial for every 50 prospects, and still more preferably one commercial for every 10 prospects.

Finished commercials may also be modified on an as needed basis ("on the fly") under automatic control of the control subsystem (not shown). One possible modification involves changing the language of the commercial from English to Spanish for Spanish speaking prospects. Other contemplated modifications may substitute different visual or audio background tracks, or video clips depending on the age or sex of individual prospects. These and other modifications may be triggered by information contained in the prospects database 30.

A modification of particular interest is inclusion of an identification code in an ecommercial. Such codes serve to individually link preferences, interests or other data obtained from previous advertising campaigns with particular records in the prospects database 24. If, for example, a recipient indicated in response to a previous campaign that he has no interest in certain types of clothing, that information could advantageously be stored in the prospects database 24, and employed in subsequent campaigns to avoid sending that person advertisements relating to such clothing.

An authentication subsystem (not shown) optionally authenticates commercials being transmitted, as for example with a Verisign™ digital signature. This is important because many firewalls are configured to filter out messages that are not authenticated. Not all commercials need to be authenticated, however, and a majority of such commercials may not be authenticated due to the substantial overhead costs required. The

authentication decision can be made on a campaign basis, but is preferably made on an individual basis, possibly relying on data stored in the prospects database 24.

Transmission of the various commercials 31 can be accomplished in any suitable manner. E-mail is preferred because of its simplicity and current ubiquity. There are, however, several preferred methods and systems that are thought to accommodate the high volume of relatively large outbound transmissions involved in sending full audio-video ecommercials. Such methods and systems are described in PCT application serial no. PCT/US99/22948 titled "Load Balancing Via Message Source Selection", filed October 12, 1999, U.S. Provisional application serial nos. 60/158926 titled "Message Content Based Routing", 60/158925 titled "Dynamic Routing via Shortest Delivery Time", 60/158993 titled "Historical Delivery Time Based Routing Tables", all filed October 12, 1999, and concurrently filed PCT application titled "Outgoing Message Load Balancing", respectively, each of which is incorporated herein by reference.

Each commercial is preferably transmitted to the 1st generation recipients 40 as an executable file, which is defined herein to mean a file that is directly interpreted or executed by the operating system of a computer as opposed to being "played" by player software. Although it is contemplated that commercials, and perhaps the tracking or playing software, can be transmitted as multiple files, it is preferred to transmit the entire commercial and all software needed to track or play the commercial as a single file. It is also contemplated that some or all of the commercial or supporting software can be downloaded separately from the transmission that includes the commercial. For example, it is contemplated that a fully functioning, multi-page commercial can be transmitted in an e-mail message. When the recipient opens the commercial, or perhaps reaches a given point in the presentation, his system contacts a distant server to download additional pages. Multi-page commercials of this type are disclosed in the concurrently filed application titled "Multi-Page Executable Commercials" corresponding to attorney docket 604.09, which is incorporated herein by reference.

Earlier generation recipients also preferably send the commercial 31 along to subsequent generation recipients using e-mail. Prior to forwarding, it is contemplated that the forwarding recipients may well modify the commercial 31, such as by entering a comment in a comments field (not shown) provided for that purpose. Earlier generation

recipients may send commercials to any number of subsequent generation recipients. For simplicity, the number of forwards displayed in the figures is kept to a minimum. At some point it is likely that the commercial 31 will be forwarded no further. The last recipient is deemed to be the *n*th recipient.

5 In **Figure 2** a tracking system 80 tracks responses of the various recipient 71 (not shown) to receiving the commercials 31 using tracking messages 82. The tracking system 80 may or may not reside on a computer operated by the marketing agent 30. The tracking information can be as simplistic as whether or not the e-mail containing the commercial was ever received by the recipient, and if so when it was opened. More sophisticated
10 tracking data may include file opening time, video start and stop times, cursor positioning, and forwarding date and forwarding address. Such information may advantageously be stored in the "cookies" section, or preferably in the registry of the recipient's computer. Tracking preferably takes place over at least two generations of recipients, and more preferably over at least three generations. The generations tracked may or may not be
15 contiguous, so that for example tracking may occur for generations 1, 3 and 4.

In any event the tracking system 80 provides the marketing agent 30 with tracking information, which is then used to provide the forwarding recipients (here, recipients 40, 51, 52, and 62) with some sort of reward 90. Preferred rewards are those that can be transmitted digitally, such as by providing redeemable points or e-money. Rewards may
20 vary according to any number of factors, including the number of forwards executed by the recipient, and the number of subsequent generations of forwards spawned by the recipient. Reports summarizing the rewards and/or forwarding history may be provided to advertisers, recipients, or others.

In **Figure 3** a method, it is contemplated that a method of viral marketing 200 may
25 comprise the steps of: providing a commercial message in an electronic medium 210; providing the commercial message to a recipient 220; the recipient forwarding the commercial message to a later generation recipient 230; tracking an aspect of the recipient's forwarding of the commercial message 240; and rewarding the reward for forwarding the commercial message 250.

Viewed generically in terms of a system, it is contemplated that a system of viral marketing may comprise: a commercial message stored in an electronic medium; a first transmitting system that sends the commercial message to a recipient; a second transmission system operated by the recipient that forwards the commercial message to a later generation recipient; a tracking system that tracks an aspect of the recipient's forwarding of the commercial message; and a rewarding system that provides a reward to the recipient for forwarding the commercial message.

Thus, specific methods and systems of rewarding recipients of commercials for forwarding the commercials to others have been disclosed. It should be apparent to those skilled in the art, however, that many more modifications besides those already described are possible without departing from the inventive concepts herein. The inventive subject matter, therefore, is not to be restricted except in the spirit of the appended claims. Moreover, in interpreting both the specification and the claims, all terms should be interpreted in the broadest possible manner consistent with the context. In particular, the terms "comprises" and "comprising" should be interpreted as referring to elements, components, or steps in a non-exclusive manner, indicating that the referenced elements, components, or steps may be present, or utilized, or combined with other elements, components, or steps that are not expressly referenced.